

SECURITIES AND EXCHANGE COMMISSION ("SEC")

**SEC FORM 20-IS**

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES AND REGULATIONS CODE

1. Check the appropriate box:  
 Preliminary Information Statement  
 Definitive Information Statement
2. Name of registrant as specified in its Charter:  
**BENEFICIAL LIFE INSURANCE COMPANY, INC.**
3. Province, Country or other jurisdiction of incorporation or organization:  
**Metro Manila, Philippines**
4. SEC Identification Number: **16680**
5. BIR Tax Identification Number: **000-883-987**
6. Address of Principal Office: **Beneficial Life Building, 166 Salcedo St.  
Legaspi Village, Makati City  
1229 Philippines**
7. Registrant's telephone number: **(632) 818-8671**
8. Date, time and place of the meeting of the security holders:  
Date : **June 20, 2019**  
Time : **3:00 pm**  
Place : **Ground Floor Beneficial Life Building  
166 Salcedo St., Legaspi Village, Makati City**
9. Approximate date on which the Information Statement is to be first sent or given to security holders: **May 18, 2019**
10. In case of Proxy Solicitations: **N/A**
11. Securities registered pursuant to Sections 8 and 12 of the Code or Section 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):  

Title of Each Class	Number of Shares of Common Stocks Outstanding or Amount of Debt Outstanding
<b><u>N/A</u></b>	
12. Are any or all of the registrant's securities listed in the Philippine Stock Exchange?  
YES \_\_\_\_\_  
NO

## INFORMATION REQUIRED IN THE INFORMATION STATEMENT

### A. GENERAL INFORMATION

#### **Item 1. Date, Time, and Place of the Annual Stockholders' Meeting**

- a.     Date             :     June 20, 2019  
       Time            :     3:00pm  
       Place            :     Ground Floor Beneficial Life Building  
                          :     166 Salcedo St., Legaspi Village  
                          :     Makati City
- b.     Approximate date when the Information Statement is to be first sent to the stockholders:   May 29, 2019

***WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.***

#### **Item 2. Dissenters' Right of Appraisal**

There are no matters or proposed actions included in the Agenda of the Annual Stockholders' Meeting that may give rise to a possible exercise by stockholders of their appraisal rights. Generally, however, the stockholders of the Company have the right of appraisal in the following instances, as provided under the Revised Corporation Code: (1) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (2) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; (3) in case of merger or consolidation; and (4) in case of investment of corporate funds for any purpose other than the primary purpose for which it was organized.

Any stockholder who wishes to exercise his/her appraisal right must have voted against the proposed corporate action. He/she must also make written demand on the Company, within thirty (30) days after the date on which the vote was taken, for payment of the fair value of his/her shares. Failure to make the demand within such period shall be deemed a waiver of the exercise of the appraisal right. If the proposed corporate action is implemented or effected, the Company shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his/her shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Company, and the third by the stockholder and the Company. The findings of the majority of the appraisers shall be final and their award shall be paid by the Company within thirty (30) days after such award is made. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment. Upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer his/her shares to the Company.



**Item3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

- a. No director, nominee for election as director, associate of the nominee or executive officer of the Company at any time since the beginning of the last fiscal year had any substantial interest, direct or indirect, by security holdings or otherwise, in any matters to be acted upon in the meeting, other than election to office.
- b. No director has informed the Company in writing that he intends to oppose an action to be taken by the Company at the meeting.

**B. CONTROL AND COMPENSATION INFORMATION**

**Item4. Voting Securities and Principal Holders Thereof**

- a. Class of Voting Shares

The Company has six hundred twenty six million seven hundred fifty six thousand four hundred ninety four (626,756,494) outstanding common shares. There are approximately six thousand seven hundred eighty four (6,784) stockholders as of April 30, 2019. Each common share shall be entitled to one (1) vote with respect to all matters to be taken up during the Annual Stockholders' Meeting.

Top 20 Shareholders as of April 30, 2019:

	<u>Shareholder</u>	<u>No. of Shares</u>	<u>Percentage</u>
1	FMF DEVELOPMENT CORP.	508,131,734	81.0732%
2	MERJE TRADING INC.	71,555,127	11.4167%
3	JCF INVESTMENT HOLDINGS, INC.	4,822,551	0.7694%
4	SAN BARTEL INVESTMENTS, INC.	1,749,047	0.2791%
5	IBANK T/A No.01-1MA-014	1,551,450	0.2475%
6	ROBERT P. AGNER	1,043,222	0.1664%
7	FEBTC A/C 4124-00006-5	734,372	0.1172%
8	FEBTC A/C 116-00006	325,563	0.0519%
9	TERESITA S. ELA AND/OR TEODORO S. ELA III TEODORO S. ELA III AND/OR	308,874	0.0493%
10	TEODORO M. ELA	294,977	0.0471%
11	LOLITA O. BORJA	276,960	0.0442%
12	BENITO LEGARDA, JR.	225,529	0.0360%
13	JOSE ANTON G. CACHO	220,578	0.0352%
14	HERMINIO S. OZAETA, JR.	211,746	0.0338%
15	JOSE ROMAN S. OZAETA	211,746	0.0338%
16	MA. CARMEN S. OZAETA	211,746	0.0338%
17	MA. NATIVIDAD S. OZAETA	211,746	0.0338%
18	MA. VICTORIA S. OZAETA	211,746	0.0338%
19	FRANK Y. HUANG	176,449	0.0282%
20	CARLOS S. MARTINEZ	176,449	0.0282%
	MELITONA ESTATE, INC.	176,449	0.0282%
	VARIOUS	33,928,433	5.4133%
		<u>626,756,494</u>	<u>100.00%</u>

b. Record Date

The record date for determining stockholders entitled to notice and to vote during the Annual Stockholders' Meeting, as well as this Information Statement, is May 30, 2019.

c. Manner of Voting

Section 6 (A), (B) and (C) of the By-laws of the Company provide:

Section 6 (A) – At any meeting of the stockholders, if the chairman of the meeting so directs or if any stockholder present so request, the polls shall be opened and closed, the proxies and ballots shall be received and taken in charge, and all questions with respect to the qualifications of voters, the validity of proxies, and the acceptance or rejection of votes shall be decided by three (3) inspectors, to be appointed by the chairman of the meeting.

Section 6 (B) – Each stockholder shall have one (1) vote for each share of stock entitled to vote as provided in the Articles of Incorporation or otherwise by law and registered in his name on the books of the Corporation.

Section 6 (C) – At any meeting of the stockholders, each stockholder shall be entitled to vote either in person or by proxy appointed by instrument in writing subscribed by such stockholder or by his duly authorized attorney and delivered to the Secretary or to the inspectors at the meeting.

d. Election of Directors and Cumulative Voting Rights

In the election of directors, the number of votes to which each stockholder is entitled shall be equal to the number of shares he/she owns, multiplied by the number of directors to be elected. All stockholders have cumulative voting rights. Each stockholder may vote such number of shares for as many persons as there are directors to be elected or he/she may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his/her shares shall equal, or he/she may distribute them on the same principle among as many candidates as he/she shall see fit. The total number of votes cast by him/her shall not, however, exceed the number of shares owned by him/her, multiplied by the number of directors.

e. Security Ownership of Certain Record and Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners (more than 5%) as of April 30, 2019.

As of April 30, 2019, the Company knows of no one who beneficially owns in excess of five percent (5%) of its common stock except as set forth in the table below:



Title of Class	Name, address of record owner and relationship w/ issuer	Name of beneficial owner and relationship w/ record owner	Citizenship	No. of shares held (a)	Percent
Common	FMF Development Corp. ("FMF") 3F Alpap I Bldg., 140 Leviste St. Salcedo Village, Makati City <i>Parent Company</i>	Enrique C. Fernandez (President and Director)  And Stockholders	Filipino	508,131,734  -	81.07%
Common	Merje Trading, Inc. ("Merje") 1381 Palm Avenue, Dasmariñas Village, Makati City <i>Related Party</i>	Roberto C. Fernandez  (Corporate Secretary and Director)  And Stockholders	Filipino  Filipino	71,555,127  -	11.42%

Both domestic corporations are the registered owners on record based on the corporate books of the Company. FMF, however, has approximately sixty eight thousand five hundred sixty nine (68,569) stockholders while Merje is a closely-held corporation.

FMF is represented by its President, Mr. Enrique C. Fernandez. Merje, on the other hand, is represented by its Corporate Secretary, Mr. Roberto C. Fernandez.

The officers and shareholders of Merje are members of the Fernandez family, which include Messrs. Enrique, Jaime, and Roberto Fernandez.

2. Security Ownership of Management as of April 30, 2019.

<u>Title of Class</u>	<u>Name of Beneficial Owner</u>	Amount and Nature of Beneficial Ownership (All Direct)	Percent of Class
Common	Ma. Editha S. Paltongan	99,143	0.0158%
Common	Teresita E. Ullegue	8,205	0.0013%
Common	Deborah Q. Dela Cruz	8,957	0.0014%
Common	Fernandez, Jaime C.	3,294	0.0005%
	All officers and directors as a group including qualifying shares	123,470	0.0197%

Voting trust holders of 10% or more                      NONE  
Change in Control    NONE

There was no change in control of the Company during the last fiscal year. The Company knows of no person holding more than ten percent (10%) of common shares under a voting trust or similar agreement which may result in a change in control of the Company during the period covered by this report.

f. Changes in Control

No change in control in the Company has occurred since the beginning of its last fiscal year.

g. Sale of Unregistered Securities

There were no securities of the Company sold by it within the past three (3) years which were not registered under the Securities Regulation Code ("SRC"). The common share of the Company is not traded on the Philippine Stock Exchange ("PSE"). If there is any trading, it is a private transaction between stockholders and these are isolated cases. As of the first quarter of 2019, the reported offering price per share was at One Peso and 50/100 (P1.50), inclusive of all processing fees to effect the sale/transfer. There were no sales or transfers reported for any consideration other than for cash.

**Item 5. Directors and Executive Officers**

a. Directors and Executive Officers for 2018-2019

Article III, Sections 1 and 2 of the By-Laws of the Company provide:

"The number of directors of the Corporation shall be eleven (11) including the independent directors as may be required by law."

"Each director shall hold office for one (1) year and until his successor is duly elected and has qualified ; provided however that any director may be removed from office, with or without cause, at any time by two-thirds (2/3) vote of the subscribed capital stock entitled to vote."

1. The nominations for the election of all directors by the stockholders shall be submitted in writing to the Board of Directors of the Company (the "Board") through the Corporate Secretary on or before the date that the Board may fix, provided that such date shall be prior to the Annual Stockholders' Meeting. The nominees are formally nominated by shareholders to the Nomination Committee, which pre-screens the qualifications of the nominees and prepares a final list of nominees eligible for election. Only nominees whose names appear on the final list of candidates are eligible for election as directors. No nominations will be entertained or allowed on the floor during the Annual Stockholders' Meeting.

2. The nominees have been pre-screened and were certified by the Nomination Committee of the Board, at the meeting held on April 25, 2019, to have qualified and have met the requirements prescribed under the By-Laws of the Company, the Company's Manual on Corporate Governance, Insurance Commission ("IC") Circular No. 31-2005 dated September 26, 2005, the Code of Corporate Governance (SEC Memorandum Circular No. 2, Series of 2002), the Guidelines on the nomination and election of Independent Directors under Section 38 of the SRC and SEC Memorandum Circular no. 9, series of 2011, which took effect on January 2, 2012. The Nomination Committee, which pre-screened and approved the nominations of the nominees, is composed of Mr. Enrique C. Fernandez as Chairman, and Messrs. Jose L. Arguelles, Carl Anthony Sy Palanca, Cesar O. Virtusio, and Roberto C. Fernandez as members.

3. The following are the persons who have been nominated and are expected to be elected directors of the Company during the Annual Stockholders' Meeting:



Name	Age	Citizenship	Position and Office
Enrique C. Fernandez	65	Filipino	Chairman of the Board
Jose L. Arguelles	101	Filipino	Director
Roberto C. Fernandez	58	Filipino	Director and Treasurer
Jaime C. Fernandez	63	Filipino	Director and CEO
Florentino M. Herrera, III	68	Filipino	Director
Roberto F. De Ocampo	73	Filipino	Independent Director
Carl Anthony Sy Palanca	45	Filipino	Director
Jaime F. Panganiban	68	Filipino	Independent Director
Santiago Gabriel O. Fernandez	25	Filipino	Director
Cesar O. Virtusio	72	Filipino	Independent Director
Paul P. Sagayo, Jr.	52	Filipino	Director

4. Pursuant to the Company's By Laws, the directors are elected at the Annual Stockholders' Meeting by the stockholders entitled to vote. Unless a director resigns, dies or is removed, each director holds office for one (1) year until the next annual election and until his/her successor is duly elected and has qualified. Any vacancy in the Board may be filled by appointment made by a majority vote of the remaining members thereof at a meeting called for that purpose, provided that a quorum is present. The director so chosen shall serve for the unexpired term of his/her predecessor in office.
5. The positions of Chairman of the Board, President, Vice President, Treasurer, Corporate Secretary, and Assistant Corporate Secretary shall be elected at the first meeting of the Board after the annual election of directors, and shall hold office for one (1) year and until their respective successors shall have been elected and qualified. All officers of the Company are subject to removal at any time, with or without cause, by the affirmative vote of two-thirds (2/3) of the Board. Vacancies occurring among such officers, however arising, shall be filled by the Board. However, the Board may, in its discretion leave unfilled, for such period as it may deem proper, any office except that of the President, Treasurer and Secretary.
6. Under the applicable rules and regulations of the IC and the SEC, the Company is required to have at least two (2) Independent Directors.
7. For the year 2018-2019, the Company will have three (3) independent directors. Mr. Roberto F. De Ocampo, Mr. Cesar Virtusio, and Mr. Jaime F. Panganiban have been nominated and are expected to be formally re-elected as independent directors during the Annual Stockholders' Meeting. They possess all the qualifications and none of the disqualifications for nomination and election as independent directors.
8. Mr. Cesar O. Virtusio has been serving as an independent director since his election last November 29, 2006 when he was nominated by Mr. Enrique Fernandez and Mr. Roberto C. Fernandez. Mr. Roberto F. De Ocampo has been an independent director since October 30, 2008 and was nominated by Mr. Enrique C. Fernandez, Mr. Carl Anthony Sy Palanca, and Mr. Jose L. Arguelles. Mr. Jaime F. Panganiban was nominated on May 19, 2014 by the Mr. Enrique C. Fernandez. Mr. Jaime Fernandez and Atty. Paul Sagayo were



nominated by Messrs. Enrique Fernandez, Roberto Fernandez, and Jose L. Arguelles. The nominated independent directors are not related to any of the members of the Nomination Committee who nominated them; they are neither officers nor employees of the Company or any of its affiliates, and do not have any relationship with the Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of an independent director.

9. The attendance of the directors at the meetings of the Board and of stockholders held in 2018 is as follows:

Directors	No. of Meetings Attended/Held	Attendance Percentage
Enrique C. Fernandez	4/4	100%
Jose L. Arguelles	4/4	100%
Roberto C. Fernandez	4/4	100%
Roberto F. De Ocampo	3/4	75%
Carl Anthony Sy Palanca	4/4	100%
Jaime F. Panganiban	4/4	100%
Santiago Gabriel O. Fernandez	4/4	100%
Florentino M. Herrera III	0/4	0%
Cesar O. Virtusio	4/4	100%
Jaime C. Fernandez	4/4	100%
Paul P. Sagayo, Jr.	3/4	75%

10. The names of the Company's incumbent directors and executive officers, and their respective ages, periods of service, their directorships in other reporting corporations, and positions and offices held for the past five (5) years are set forth in Annex "A" attached and made an integral part of this Information Statement.

11. Significant employees

All employees are expected to make reasonable contribution to the success of the business of the Company and to the fulfillment of its goals. There is no "significant employee" as defined in Part IV (A)(2) Rule 12 of the SRC (i.e., a person who is not an executive officer of the Company but who is expected to make a significant contribution to the business).

12. Involvement in Certain Legal Proceedings

There are no material legal proceedings, bankruptcy petition, conviction by final judgment, order, judgment or decree or any violation of a securities or commodities law for the past five (5) years to which the Company is a party, or of which any of its material properties is subject in any court or administrative government agency.

To the knowledge and/or information of the Company as set forth in the records, none of the nominees for election as directors, its current members of the Board of or its executive officers have been involved in any legal proceeding, including without limitation being the subject of any (a) bankruptcy petition, (b) conviction by final judgment in a criminal proceeding, domestic or foreign, or a pending criminal proceeding, domestic or foreign, (c) order, judgment or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities, which is not subsequently



reversed, suspended or vacated, or (d) judgment of violation of a securities or commodities law or regulation by a domestic or foreign court of competent jurisdiction, the SEC or comparable foreign body, or a domestic or foreign exchange, which has not been reversed, suspended or vacated, for the past five (5) up to the latest date that is material to the evaluation of his/her ability or integrity to hold the relevant position in the Company.

13. **Certain Relationships and Related-Party Transactions**

FMF is the parent corporation of the Company with eighty one percent (81%) ownership in the total outstanding capital stock. The Company's financial statements are consolidated with that of the parent on an annual basis. The Company's wholly owned subsidiaries are Beneficial Financial Advisors, Inc. and Solana Investment Holdings Corp.

No other transaction was undertaken by the Company in which any director or executive officer was involved or had a direct or indirect material interest aside from the loans granted as disclosed under Notes 7 and 17 of the audited consolidated financial statements and supplementary Schedule B.

Related party transactions shall be conducted at arm's-length and on terms that are at least comparable to normal commercial terms in order to safeguard the best interest of the Company, its policyholders, claimants and creditors. In all cases, the applicable and relevant provisions of the Insurance Code, as amended, and the Revised Corporation Code, shall be complied with by the Company.

Any related party transaction shall be disclosed fully by management to the Board, and prior approval by the Board shall be obtained for all related party transactions which are material in nature. Moreover, the directors of the Board are required to report any dealings or transactions relating to the Company's shares within three (3) business days from occurrence thereof.

The Board shall then constitute a committee composed of independent directors to conduct a review of the material or significant related party transaction and to determine whether the subject transactions when entered into and executed will redound to the best interest of the Company.

b. **Resignations**

No director has resigned or declined to stand for re-election to the Board since the date of the Company's last Annual Stockholders' Meeting because of a disagreement with the Company's management on any matter relating to its operations, policies or practices.

**Item 6. Compensation of Directors and Executive Officers**

a. **Summary Compensation Table**

Information as to the aggregate compensation paid or accrued during the last two (2) fiscal years and to be paid in the ensuing fiscal year to the Company's Chief Executive Officer and three (3) other most highly compensated executive officers and all other officers/directors are as follows:

<u>Name/Position</u>	<u>FY</u>	<u>Salaries</u>	<u>Bonus</u>	<u>Others</u>
<i>Jaime C. Fernandez / President and CEO; Annette Marie M. Malixi/SVP and CIO; Ma. Editha S. Paltongan, SVP- Comptroller; Danilo L. Mercado Head, MM Sales;</i>				
<i>Total</i>	<i>2019*</i>	<i>16,000,000</i>	<i>3,500,000</i>	<i>5,000,000</i>
	<i>2018</i>	<i>15,554,607</i>	<i>3,190,460</i>	<i>4,253,946</i>
<i>*estimate for 2019</i>	<i>2017</i>	<i>13,672,917</i>	<i>2,053,995</i>	<i>3,080,992</i>
<i>All other officers and directors as a group unnamed</i>	<i>2019*</i>	<i>14,000,000</i>	<i>15,000,000</i>	<i>3,500,000</i>
	<i>2018</i>	<i>13,041,463</i>	<i>14,013,934</i>	<i>3,155,196</i>
	<i>2017</i>	<i>11,360,013</i>	<i>8,784,480</i>	<i>3,013,253</i>

b. Compensation of Directors

All members of the Board are entitled to a maximum total share of five percent (5%) Directors' Bonus based on Net Income after Tax of the preceding year. Each member receives a Per Diem of Twenty Thousand Pesos (P20,000.00) per board meeting and Ten Thousand Pesos (P10,000.00) per committee meeting. The same arrangement will be implemented for the ensuing year. The foregoing were deliberated and approved by the Remuneration Committee during its meeting held on April 25, 2019.

There are no other arrangements or contracts pursuant to which any director of the Company was compensated or is to be compensated, directly or indirectly during the last fiscal year and the ensuing year.

c. Employment Contracts and Termination of Employment

All executive officers, except for the Consulting Actuary, who are on a retainer/consultancy fee basis, are under employment contracts and are entitled to a maximum total share of three percent (3%) Management Bonus based on Net Income after Tax of the preceding year. They are also entitled to receive retirement benefits as required by law. There is no other compensatory plan or arrangement, other than retirement, which any executive officer shall receive in case of resignation or termination.

There are no outstanding warrants or options held by any of the executive officers or directors.

**Item 7. Independent Public Accountants**

- a. The accounting firm of Reyes Tacandong & Co. (RT & Co.) was the Company's Independent Public Accountant for the completed calendar year 2018.
- b. Ms. Carolina P. Angeles served as the Company's audit partner for the year 2018. Ms. Angeles assumed the responsibility as a signing partner since 2016 which makes her qualified to continue in such capacity under the provisions of Section (3)(b)(ix) Rule 68 of the SRC should RT & Co. be elected during the Annual Stockholders' Meeting. The Company is thus compliant with the provisions of Section (3)(b)(ix) Rule 68 of the SRC on the rotation of external auditors or signing partners and the two (2)-year cooling off period.
- c. Representatives of RT & Co. will be present during the Annual Stockholders' Meeting and will be given the opportunity to make a statement if they so desire. They are also expected to respond to appropriate questions if needed. RT & Co. has accepted the Company's invitation to stand for re-election this year.



- d. The stockholders elect the Company's external auditors during the Annual Stockholders' Meeting. The Audit Committee reviews the audit scope and coverage, strategy and results for the approval of the Board and ensures that audit services rendered shall not impair or derogate the independence of the external auditors or violate SEC regulations. Likewise, the Audit Committee determines any non-audit work performed by external auditors, and ensures that such work will not conflict with external auditors' duties as such or threaten its independence.

The members of the Audit Committee for the year 2018-2019 are as follows:

<i>Roberto F. De Ocampo</i>	-	<i>Chairman</i>
<i>Cesar O. Virtusio</i>	-	<i>Member</i>
<i>Jaime F. Panganiban</i>	-	<i>Member</i>
<i>Roberto C. Fernandez</i>	-	<i>Member</i>
<i>Paul P. Sagayo, Jr.</i>	-	<i>Member</i>

- e. The accounting firm RT & Co. was nominated to act as external auditor of the Company for the year 2018. The nominee must be elected by majority vote during the Annual Stockholders' Meeting in order for it to act as the Company's independent public accountant for the year 2019.
- f. The Company paid RT & Co. Audit Fees in the amount of One Million Five Hundred Sixty Thousand Four Hundred Two and 33/100 Pesos (P1,560,402.33) for the fiscal year 2018, versus the amount of One Million Four Hundred Fifty Thousand and Eight Pesos (P1,450,008.00) paid for the fiscal year 2017. The Audit Fees include compensation for audit services for the Company and its subsidiaries.
- g. There was no event during the last fiscal year covered by this report where the Company and RT & Co. or the audit/handling partner had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

#### **Item 8. Compensation Plans**

The Company's current compensation plan covers all regular employees and officers. Employees' or officers' participation in the Company's compensation plan accrues upon their attainment of regular status. The compensation plan covers gross compensation income and is subject to the outcome of annual performance appraisal, which is initiated by Management for position and salary upgrading.

No action is to be taken during the Annual Stockholders' Meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

### **C. ISSUANCE AND EXCHANGE OF SECURITIES**

#### **Item 9. Authorization or Issuance of Securities Other than for Exchange**

No action is to be taken during the Annual Stockholders' Meeting with respect to authorization or issuance of any securities.

#### **Item 10. Modification or Exchange of Securities – Not Applicable.**



## Item 11. Financial and Other Information

The Statement of Management's Responsibility for Financial Statements, Company's Consolidated Audited Financial Statements as of December 31, 2018, and other data related to the Company's financial information required under Item 11(a) of SEC Form 20-IS are attached hereto as Annex "B." The Schedules required under Part IV(c) of Rule 68 are included in the Annual Report (SEC Form 17-A).

### Management's Discussion and Analysis of Financial Condition and Results of Operations for the Interim Period:

For the first quarter of the year, Beneficial Life Insurance Co., Inc. (Registrant) and its subsidiaries, Beneficial Financial Advisors, Inc. (BFAI, formerly Beneficial-PNB Financial Advisors, Inc.) and Solana Investment Holdings Corporation (SIHC), collectively known as the "Group", were able to produce P399,265,498 total revenues, which is significantly higher by 14% as compared to the same period in 2018. Premiums, net of cession, have significantly increased by 11% to P302,779,623 in 2019 from P273,530,730 in 2018. Investment and other income also increased at a larger percentage of 24% mainly due to increase in interest income and fair value gains booked on assets at fair value through profit and loss (FVPL). Realized and unrealized net foreign exchange loss, however, was recorded in 2019 at P2,198,685 versus gains of P95,258,710 in 2018, as a result of the mark-to-market valuation of foreign currency denominated financial assets at fair value through other comprehensive income (FVOCI) and bonds at FVPL.

Benefits and claims incurred increased by 40% due to the volume of death claims received and processed during the first quarter of the year. A provision of P37.6 Million increase in legal policy reserves was set up. Commissions and other direct expenses increased by 7% between the two comparative periods as a consequence of the increase in the premiums.

A major component in the statement of income is the foreign exchange gains or losses since the bulk of the Registrant's financial assets is in foreign currency denominated instruments. The rates used as against USD1.00 were P52.50 as of March 31, 2019 versus P52.58 as of December 31, 2018; and P52.16 as of March 31, 2018 versus P49.93 as of December 31, 2017 based on closing rates found in the Phil. Dealing System.

For the first quarter of 2019, consolidated net income was earned mainly due to the increase in premiums and investment income, whereas, the unrealized foreign exchange gains contributed to the net income in the first quarter of 2018. BFAI and SIHC contributed to the net income by P164,003 and P2,040,481, respectively for the first quarter of 2019.

The business of life insurance does not follow any particular seasonality cyclicity or trend as revenues are mainly dependent on the insurance requirements and capacity to pay of the insuring public, while most of the underwriting expenses depend on mortality rates and economic conditions. Taking the two comparative quarters, revenues are composed of the following:

	<u>2019</u>	<u>2018</u>
Ordinary	91,633,761	82,985,297
Group	212,513,388	184,695,681
Microinsurance	1,658,000	2,156,698
Inward reinsurance	-	6,564,383
	<u>305,805,149</u>	<u>276,402,059</u>
Premiums ceded	3,025,526	2,871,329
Premiums, net of reinsurance	<u>302,779,623</u>	<u>273,530,730</u>



The first quarter of 2019 shows increases in ordinary and group insurance lines while microinsurance and inward reinsurance both decreased. The Registrant is still forecasting a significant increase in group premiums for the whole year.

No cycle, season or trend can also explain the amount of claims, surrenders and other benefits to be paid in any given period of time as these are mainly dependent on mortality rate and financial condition of the policyholders. This is the reason why the IC as the industry regulator, mandates its requirements on the issuer's minimum networth, capital investment, reserve investment and minimum RBC ratio. IC released CL 2014-42A on the Valuation Standards for Life Insurance Policy Reserves which provides a change in the basis of valuation of the life insurance policy reserves from Net Premium Valuation (NPV) to Gross Premium Valuation (GPV) which now considers other assumptions such as morbidity, lapse and/or persistency, expenses, non-guaranteed benefits and margin for adverse deviation.

An uncertainty which will have a material impact on the operations of the issuer, is when death and policy benefits will be claimed all at the same time. As part of the compliance with IC's requirements on the effectivity of the GPV and the financial reporting framework, the Registrant submitted its quarterly reports to the IC on the mandated submission dates per IC CL 2016-69.

Total consolidated assets as of the first quarter of 2019 amounted to P8,086,635,504 which is slightly higher by 2% than the total for the year ended December 31, 2018 at P7,951,733,840. The major composition of the asset portfolio as of the first quarter of 2019 is: cash and cash equivalents at 12%, investment securities at 57%, and loans and notes at 23%. On the Liabilities side, insurance contract liabilities comprise 72% of the total liabilities and fixed term loans at 8%. Total stockholders' equity amounted to P3,028,480,575 as of March 31, 2019 which is slightly higher than the P2,855,219,623 balance as of December 31, 2018 by 6%.

Other material changes (at least 5%) in the consolidated statement of financial position between the two comparative periods are as follows:

- a. Decrease in insurance receivables by 50% was due to the collections of premium receivables set up as of 12/31/18.
- b. Decrease in accrued income by 8% was mainly due to the effects of using the effective interest rate computation wherein the interest due decreases as the loan ages.
- c. Decrease in insurance payables by 14% was due to the payments made to reinsurers for cessions made in the prior years.
- d. There were additional fixed term loans availed from Credit Suisse and Bank of Singapore during the first quarter of 2019 which resulted to the increase in loans payable by 17%.
- e. Decrease in accounts payable and accrued expenses by 25% was due to payments of accounts that were set up as of 2018 year end with settlement due dates in 2019.
- f. Income tax liability increase of 11% represents the corporate tax due on net income for the first quarter of 2019.
- g. Increase in other liabilities by 8% was brought about by the collections of insurance deposits during the first quarter of 2019.
- h. Increase in other comprehensive income by 76% is mainly due to increase in revaluation of investment securities and the effect of the remeasurement of legal policy reserves.

During the meeting of the Board of Directors (the "Board") of Beneficial Life Insurance Company, Inc. held on 21 March 2019 at Beneficial Life Bldg., the Board declared a cash dividend of Php0.047 per share in favor of all its stockholders of record as of 30 May 2019, payable on 20 June 2019.



There are no changes in the composition of the registrant during the interim period, which include any business combination, additional acquisition of subsidiaries, restructuring or discontinuance of operations.

Provisions for the first quarter of 2019 were made for the contingent liabilities, which include the legal policy reserves and claims and losses payable, in accordance with IC requirements.

There are no other events other than the ordinary course of business that will trigger direct or contingent financial obligation that is material to the issuer, including any default or acceleration of an obligation. There are no other significant elements of income or loss that did not arise from the issuer's continuing operations.

The statements of cash flows present the sources and uses of funds for the two comparative periods. For the first quarter of 2019, all activities of the Registrant generated cash. This indicates that Group maintains its capacity to provide for its immediate cash requirements from its operations despite the increasing expenditures and investment activities. Short term funds are also available should there be an immediate need for significant amount of funds. The Retained Earnings account is unrestricted and the registrant declares and pays cash dividends based on the net income of the Group. The registrant's net worth is compliant to the requirement of IC.

The Registrant continues to rely mainly on its traditional distribution channel, which is the agency force, for tapping new markets both in the individual/regular business and corporate or institutionalized accounts. Telemarketing and mall operations are the two other channels that the registrant also embarked on and continues to operate. The Registrant introduced its microinsurance product called Benlife Shield during the last quarter of 2016. It is a single pay, micro personal accident no-lapse insurance plan that provides individual insurance coverage up to age 60. Also, during the last quarter of the year 2016, the registrant offered its group insurance rider called Benlife Care. It is health care rider attached to group yearly renewable term that allows policyholders to avail of medical, hospitalization benefits through affiliated medical service providers subject to certain conditions and limitations. There are no plans to offer variable products during the year 2019. Management remains optimistic that it will be able to reach its target sales this year given the increasing competition in the industry. The Registrant continues to focus on creating innovative plans and improving business quality wherein steps are still being taken to ensure increased operating efficiency, conservation and better customer service.

Funds shall be continually sourced internally for its insurance requirements and the Registrant does not foresee any uncertainty that has or is reasonably likely to have a material impact on the short or long term liquidity. The registrant will meet its due obligations on time. The registrant continues to seek higher yields for its investments through its subsidiary, SIHC. To maximize returns, any available and free cash will be invested in different investment outlets.

There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.

The required minimum statutory net worth for Parent Company is P550.00 million as of December 31, 2018. The Registrant complied with the minimum statutory net worth capital and minimum paid-up capital required by the IC.

CL 2016-68 provides for the RBC2 framework for the life insurance industry which establishes the required amounts of capital to be maintained by the insurance companies in relation to their investment and insurance risks. Every life insurance company is annually required to maintain an RBC ratio of at least 100% and not to fail the trend test. Failure to meet the minimum RBC ratio shall subject the insurance company to regulatory intervention which could be at various levels depending on the degree of the violation. The Registrant remains compliant with this requirement.



Republic Act ("RA") No. 10001 reduced the premium tax from 5% to 2% (applicable on insurance policies issued after the effectivity of the said RA) and amended the DST to one-time payment based on the amount of insurance or coverage. RA 10963 or the Tax Reform for Acceleration and Inclusion ("TRAIN"), which became effective on January 1, 2018, increased the DST tax from the range of P10.00-P100.00 to P20.00-P200.00. Revenue Regulation ("RR") 4-2018 was issued wherein the new rates are listed under Section 10.

The Registrant, in close coordination with the IC and as mandated by the SEC, ensures adherence to its ASEAN Corporate Governance and Anti Money Laundering Operating Manual. The registrant also complied with the requirements of The Foreign Account Tax Compliance Act (FATCA) in 2014 by registering as a Foreign Financial Institution. The Registrant is also compliant with the requirements of the Data Privacy Act.

There are no other material events subsequent to March 2019 that have not been reflected in the financial statements or disclosed in the 17Q report (Annex D). There are no material commitments for material capital expenditures other than those required in the ordinary course of business.

Segment reporting is not applicable to the issuer.

The consolidated financial statements include those of the Registrant and wholly owned subsidiaries. There are no other material off-balance sheet transactions, arrangements, direct or contingent obligations and other relationships of the company with other persons created as of the first quarter of 2019.

Management's Discussion and Analysis – 2018 vs. 2017:

The Registrant and its subsidiaries posted a significant increase in gross premiums by 33% from P1.017Billion in 2017 to P1.349Billion in 2018. Net premiums also increased by almost the same percentage between the two comparative years.

The business of life insurance does not follow any particular seasonality or cyclicity as revenues are mainly dependent on the insurance requirements and capacity to pay of the insuring public, while most of the claims, benefits and underwriting expenses depend on mortality rates and economic conditions. Taking the two comparative years, premiums, net of reinsurance, are composed of the following:

	<u>2018</u>	<u>2017</u>
Ordinary (individual)	339,419,875	347,922,436
Group	930,996,070	634,594,152
Microinsurance	8,438,000	6,282,000
Inward reinsurance	70,266,474	29,185,404
	1,349,120,419	1,017,983,992
Less: Premiums ceded	27,519,621	16,767,053
Premiums, net of reinsurance	1,321,600,798	1,001,216,939

Premiums from the group, microinsurance and reinsurance lines all increased in 2018 as compared to 2017 while premiums from the ordinary business decreased.

No cycle, season or trend can also explain the amount of claims, surrenders and other benefits to be paid in any given period of time as these are mainly dependent on mortality rate and financial condition of the policyholders. This is the reason why the IC as the industry regulator, mandates its requirements on the issuer's minimum networth, capital investment, reserve investment and minimum RBC ratio.



Net insurance benefits and claims incurred on insurance contracts, which increased by 14% from 2017 to 2018 include death claim benefits on ordinary/individual and group businesses, maturities, health benefits, surrender values paid, dividends, and interests accruing on in force policies. There are still policyholders who opt to surrender their insurance policies, meaning, withdraw its cash value, due to financial needs, while other insurance policies have already matured during the year, at which time, the insured receives its maturity value. Death claims still comprise the significant portion of benefits and claims expensed at 67% in 2018 versus 64% in 2017. These insurance risks can be reasonably calculated and estimated, based on Actuarial studies, and thus, reserves and fund allocations are made by the Registrant. An uncertainty, therefore, which will have a material impact on the operations of the issuer, is when death benefits will be claimed all at the same time. This is why the legal policy reserves should be enough to cover all the benefits due to the insured. The Registrant's annual legal policy reserves is certified by the Actuary and evaluated and reviewed by the IC.

Year 2018 was marked by a decrease in investment income by 13% as compared to the 13% increase in 2017 over 2016. Investment income is composed of interests on investment securities, loans and notes, dividend income, gain on sale and fair value gains/losses. Interest earned on loans and notes, also included in this category, decreased by 24% in 2018 as compared to 2017 while gain on sale of investment securities, decreased by 67%. Total Impairment loss of P99.91 Million was recognized in 2018 on investment securities and loans and notes, which is almost at the same level in 2017 at P100 Million.

On a year to year basis, the Peso further depreciated to P52.58 in 2018 as against the US Dollar. The exchange rate as of year-end 2017 was at P49.93=USD1.00. This resulted in realized and unrealized foreign exchange gains amounting to P106.4 Million in 2018 versus P31.05 Million in 2017.

Commissions and other direct expenses increased by 42% while general and administrative expenses increased by 23% from 2017 to 2018. Consolidated net income for the year ended 2018 amounted to P148.8 Million as compared to the reinstated amount of P113.4 Million in 2017 or a 31% increase. Basic and diluted earnings per share, consequently, increased to P0.24 per share in 2018 from P0.18 in 2017.

The consolidated balance sheet shows an increase of 8% in total assets from P7.4 Billion in 2017 to P7.9 Billion in 2018. Investment securities comprise 56% of the total assets in 2018, as the Registrant and its subsidiaries continue to maximize its earning potentials with its holdings in bonds and equities. Adding this portfolio to the cash and cash equivalents at P967 million, short term investments of P51 Million and accrued income of P69 Million shows that the Registrant remains liquid and able to meet its obligations. Total assets of the subsidiaries amount to: SIHC, P144,253,556; and BFAI, P7,874,177.

The consolidated stockholders' equity portion reflects a total of P2.84 Billion in 2018, which is higher by 1.7% than the P2.79 Billion in 2017.

In addition to the reasons for the increase/decrease discussed in the preceding paragraphs, the following are the explanations for the changes in material items (increase/decrease equivalent to at least 5%) from year 2017 to year 2018:

- a. Decrease in cash and cash equivalents by 15% can be attributed to investing activities, specifically in financial assets at fair value through other comprehensive income ("FVOCI") and at amortized cost.
- b. Increase in insurance receivables by 42% represent increase in collectible premiums with due dates falling on or before the year end.



- c. Decrease in loans and notes by 11% were mainly due the increase in allowance for doubtful accounts and the full payment of the receivable from the parent company.
- d. Increase in investment securities by 28% was brought about by new acquisitions during the year, plus the effects of the mark-to-market using the year end foreign exchange rate.
- e. Increase in accrued income by 35% was brought about by increasing the investment securities where interest income is earned from.
- f. Increase in Other Assets by 39% represents installment payments made during the year for the acquisition of two condominium offices.
- g. Decrease in policyholders' dividends payable by 16% can be attributed to the withdrawal of dividends on policies which have matured and those surrendered by the policyholders.
- h. Increase in insurance payables by 18% was brought about by the increase in ceded premiums.
- i. Increase in loans payable represents the availment of fixed term loans with the investment banks which were used to invest in additional securities.
- j. Increase in accounts payable and accrued expenses by P168.7Million represents the overdraft of cash balances with investment banks which was also used in investing in additional securities.
- k. Increase in income tax liability by 89% represents the corporate income tax due for the year end.
- l. Increase in other liabilities by 6% represents the increase in amounts payables to agents and to stockholders out of the cash dividends declared.
- m. Decrease in retirement liability by 10% is mainly due to the actual contributions made during the year.
- n. Overall increase in net income by 31% was mainly due to the significant increases in net insurance premiums and net foreign exchange gains.

No action is to be taken during the Annual Stockholders' Meeting with respect to any matter specified in Items 9 or 10.

**Item 12. Mergers, Consolidations, Acquisitions and Similar Matters – Not Applicable**

**Item 13. Acquisition or Disposition of Property**

No action is to be taken during the Annual Stockholders' Meeting with respect to acquisition or disposition of any property by the Company requiring stockholders' approval under the Revised Corporation Code.

**Item 14. Restatement of Accounts**

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the new and amended Philippine Financial Reporting Standards ("PFRS") 9 – *Financial Instruments*. This standard replaced Philippine Accounting Standard 19 *Financial Instruments: Recognition and Measurement* (and all the previous versions of PFRS 9). It contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and derecognition. The Group has performed assessment and determined the impact of PFRS 9 on its financial instruments. As allowed under transitory provisions of PFRS 9, the Group applied the requirements of PFRS 9 retrospectively but opted not to restate the comparative information. Differences in the carrying amounts of financial assets resulting from the adoption of PFRS 9 are recognized in the beginning balance of Retained Earnings and revaluation reserves on investment securities upon reclassification of financial assets.



The effects and restatement of accounts resulting from the adoption of PFRS 9 are fully disclosed under Note 2 – Summary of significant Accounting Policies in the Notes to Consolidated Financial Statements.

#### **D. OTHER MATTERS**

##### **Item 15. Action with respect to Reports:**

The following matters will be presented to the stockholders for approval by a majority vote at the Annual Stockholders' Meeting:

- a. Minutes of the Annual Stockholders' Meeting held last June 06, 2018.
  - Annual report for the fiscal year ended December 31, 2018.
  - Ratification of all acts of the Board and Officers of the Company since the last Annual Stockholders' Meeting.
  - Election of Directors
  - Appointment of external auditor for the year 2019.
- b. The 2018 Annual Report and audited consolidated financial statements for the year ended December 31, 2018.
- c. Election of Directors for 2019
- d. Appointment of external auditor for the year 2019
- e. General ratification of all acts and proceedings of the Board, Executive Committee and Corporate Officers since the last Annual Stockholders' Meeting held on June 06, 2018.

Resolutions, contracts, and acts of the Board, Executive Committee, and Management presented to the stockholders for ratification refer to those passed or undertaken by them during the year covered by this report and for the day to day operations of the Company as contained or reflected in the minute books, annual report and financial statements. These acts are covered by resolutions of the Board duly adopted in the normal course of trade and business involving approval of budget for the current year, approval of investments, treasury matters involving opening of accounts and bank transactions, appointment of signatories and amendments thereof, engagement of consultants, sale of company vehicles and other matters the Board is required to act upon.

##### **Item 16. Matters Not Required to be Submitted**

Proofs of transmittal to stockholders of the required Notice of the Annual Stockholders' Meeting and of the presence of a quorum form part of the Agenda of the Annual Stockholders' Meeting but will not be submitted for approval by the stockholders.

##### **Item 17. Corporate Governance**

The IC, the primary regulator of the Company, requires the Company to adopt and comply with: (a) Circular Letter No. 14-2013 dated July 1, 2013 (ASEAN Corporate Governance Scorecard); (b) Circular Letter No. 21-2009 dated August 12, 2009 (Corporate Governance Scorecard); (c) Circular Letter No. 9-2002 dated May 8, 2002 (Operating Manual against Money-Laundering for Insurance Commission Covered Institutions); (d) Circular Letter No. 11-2006 (Money Laundering Self-Rating Form); and (e) Circular Letter No. 2015-02-A dated 13 January 2015 (Minimum Capitalization Requirement).



The evaluation by the Company to measure and determine the level of compliance of the Board, the Executive Officers and top level management with its Manual on Corporate Governance (the "Manual") is vested by the Board on the Compliance Officer. The Compliance Officer is mandated to monitor compliance by all concerned with the provisions and requirements of the Manual.

The Company aims to create and sustain value for its stakeholders. To achieve this, the Board, senior management, and employees must understand that compliance with regulations and best practice standards is everybody's responsibility.

The Company commits to the highest standards of good corporate governance in realizing its vision and mission. The Company believes that sound corporate practice based on integrity, fairness, accountability, and transparency is essential in achieving growth and stability, as well as enhancing investors and stockholders' confidence.

The Company's Code of Ethics ensures that all employees adhere to the highest standards of honesty, transparency, and accountability. To further emphasize the Company's commitment to integrity, employees are encouraged to report, in good faith, to higher management any misconduct within their respective departments/units.

Consistent with the foregoing policies and the provisions of the Manual, the Company has been continuously implementing the following:

Rights and Equitable Treatment of Stockholders:

The Board acknowledges and respects the fundamental rights of shareholders to obtain adequate and timely information and commits not to act in a way that will violate the same.

The Board will strive to achieve growth based on its potential and core competencies to ensure that shareholders, over the long term, will benefit from the productive performance and good operating results of the Company.

Policies on Employees Health and Safety:

The Company maintains the benefits of the employees relating to health, safety and welfare under its Healthcare Program. Under the foregoing, the Company's employees throughout the country can go to any of the medical clinics, laboratories and/or hospitals accredited by the Company.

The Company is committed to promote the physical, social and mental well-being of its employees. It aims to provide and maintain a workplace free from all forms of discrimination and from all forms of physical, sexual or psychological abuse including harassment, bullying and intimidation. It is committed to maintain a positive, harmonious and professional work environment with due importance accorded to occupational health and safety of the employees and its clients transacting business at its various offices.

Policies and Activities on Customer Welfare:

The Company recognizes that its clients are the reason for its continued business, hence, the Company is committed to meet the needs of its clients by providing them with high quality customer service, as well as relevant products and services.

The Company is also committed to treat clients fairly by complying with the Policy Holder's Bill of Rights issued by the IC as well as implementing the following minimum service standards:



- a. Communications are fair and not misleading;
- b. Ensure that clients are given clear and accurate information on the services offered, including the risks involved, prior to the conclusion of any business transaction;
- c. Products and services are suitable and beneficial, taking into account the needs of the clients, their financial and risk profiles and objectives; and
- d. Complaints and concerns are handled and addressed promptly in a professional manner.

To ensure the effective implementation of the foregoing policies, the Company has a customer service desk to address the concerns and receive the complaints of clients.

Community Interaction Policy:

The Company considers its host community as its growth partner, and contributes to its social development agenda by paying appropriate taxes and complying with relevant laws, regulations, resolutions and ordinances.

Through its various branches nationwide, the Company also empowers the local communities where they operate by providing employment, livelihood opportunities, and basic services that will help improve their quality of life.

The Company's Community Principles:

This policy affirms the Company's commitment to the range of communities with whom it interacts, guided by the following principles: (a) compliance with all laws and regulations, (b) transparency, (c) sustainability, (d) respect for human rights, (e) diversity and (f) contribution to economic development.

The Company's Community Approach:

The Company's approach to its stakeholders is guided by the following:

- a. Building positive community relations by being an active player in the society;
- b. Identifying opportunities for partnership with the communities to create shared values;
- c. Investing in community developments that will benefit the community and be sustainable in the long run;
- d. Valuing the diversity of the stakeholders, respecting their culture and aspirations as we strive for local procurement and local employment; and
- e. Anti-corruption programs.

The Company adopts and institutionalizes the highest ethical standards by strict implementation of the provisions of its Code of Conduct. The Company is committed in complying with and strictly enforcing anti-corruption laws in all its offices. Bribery of any form is strictly prohibited.

Employees are strictly prohibited from receiving gifts from clients, suppliers or third persons to ensure that they remain objective and partial in the performance of their respective duties and responsibilities.

Pursuant to its commitment to good governance and business practice, the Company continues to review and strengthen its policies and procedures, giving due consideration to developments in the area of good governance, which it determines to be in the best interest of the Company and its stockholders. The Company actively participates in industry discussions on good governance issues and concerns through the Philippine Life Insurance Association, Inc.



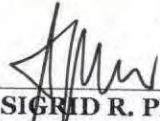
### **Item 18. Voting Procedures**

- a. Section 5 of the Amended By-Laws of the Company states that at any meeting of the stockholders, the holders of majority of the issued and outstanding stock entitled to vote at such meeting, present in person or represented by proxy, shall constitute a quorum. Moreover, under the Amended By-Laws of the Company stockholders may either vote in person, or in absentia or by proxy.
- b. Regarding the election of members to the Board, nominees who receive the highest number of votes shall be declared elected pursuant to Section 23 of the Revised Corporation Code.
- c. For other matters submitted to the stockholders for approval, a vote by a majority of the shares present or represented during the meeting shall be necessary to approve the proposed action.
- d. Election and voting shall be done *viva voce*. Representatives from the stock and transfer group, Mr. ROLANDO C. MORILES and Mr. ARJEN MONTEALEGRE, shall supervise the election and counting of the votes.
- e. The number of the votes required for the approval of the minutes of the previous Annual Stockholders' Meeting, ratification of the acts of the Board and Management, election of the Board and the appointment of External Auditor is two hundred ninety three million two hundred eighteen thousand three hundred nineteen (293,218,319) shares.

### **SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on May 10, 2019.

**BENEFICIAL LIFE INSURANCE COMPANY, INC.**  
By:

  
\_\_\_\_\_  
**MA. SIGRID R. PINLAC**  
*Corporate Secretary*

### **MATERIALS ACCOMPANYING THIS INFORMATION STATEMENT**

1. **Annex A** – The Company's Directors and Executive Officers
2. **Annex B** – Annual Report for 2018 (Form 17-A)
3. **Annex C** – Statement of Management's Responsibility for Financial Statements and Audited Consolidated Financial Statements for 2018;
4. **Annex D** – Unaudited Consolidated Financial Statements for the Interim Period Ended March 31, 2018 (SEC Form 17-Q).



### **UNDERTAKING**

Upon the written request of the stockholders, the Company undertakes to furnish said stockholders a copy of SEC Form 17-A, free of charge. Such written request should be addressed to:

#### **BENEFICIAL LIFE INSURANCE COMPANY, INC.**

Beneficial Life Bldg. 166 Salcedo St., Legaspi Village  
Makati City 1229

Attention: **MA. SIGRID R. PINLAC**  
*Corporate Secretary*

### **FEEDBACK**

At Beneficial Life Insurance Company, Inc., we strive to provide you with the highest possible standards of service at all times. Should you have any complaints or concerns, you may bring it up through our website at [www.benlife.com.ph](http://www.benlife.com.ph), or you may call our Customer Service hotline at 818-8671 (loc. 8573).



**BENEFICIAL LIFE INSURANCE COMPANY, INC.  
DIRECTORS AND EXECUTIVE OFFICERS**

**A. DIRECTORS** - The following are the Directors of the Company for 2017-2018:

**ENRIQUE C. FERNANDEZ**, age 65, Filipino, is the Chairman of the Board since 2007 and has been a Director since 1984. He is also the Chairman of the Executive Committee and a member of the Assets and Liabilities Committee of the Company.

Concurrently, Mr. E. Fernandez is the Chairman and President of AMSEC Holdings, Inc., and a Director and President of Eramen Minerals, Inc., FMF, Investment Planning Corporation of the Philippines. His other directorships include ICCP Ventures, Inc., Manco Holdings, Inc., Manila Cordage Co., Marilag Holdings, Inc., Merje Trading Inc., and Philippine Koyo Bearing Corporation.

Mr. E. Fernandez received his Bachelor of Science degree, major in Business Management, from the Ateneo de Manila University, and his Master of Business Management degree major in Finance and Marketing, from JL Kellogg Graduate School of Management, Northwestern University, Evanston, Illinois, USA.

**JOSE L. ARGUELLES**, age 101, Filipino, has been a Director since 1966 and the President of the Company since 1987.

Mr. Arguelles is currently also the Chairman of FMF, Investment Planning Corporation of the Philippines; a board member of Lakeshore Educational Institution, Information Professionals, Inc., and Solana Investment Holdings Corporation.

Mr. Arguelles received his Bachelor of Science in Commerce ("BSC") degree from De La Salle University.

**ROBERTO C. FERNANDEZ**, age 58, Filipino, has been a Director since 1995. He is the Treasurer of the Company and is also a member of its Audit Committee and the Assets and Liabilities Committee.

At present, Mr. R. Fernandez is likewise the Chairman and President of Manila Cordage Co., and a Director of FMF, Investment Planning Corporation of the Philippines, AMSEC Holdings Inc., and Panay Electric Company. He is also the President of Manco Insurance Agents, Inc., Manco Synthetics Inc., Mancorealty, Inc., and Manco Farms, Inc.

Mr. R. Fernandez both received his Bachelor of Science degree, major in Business Management, and his Bachelor of Arts degree, major in Interdisciplinary Studies, from the Ateneo de Manila University. He received his Masters degree in Management from JL Kellogg Graduate School of Management, Northwestern University, Evanston, Illinois, USA.

**FLORENTINO M. HERRERA III**, age 68, Filipino, was elected to the Board on August 11, 2008. He is also an alternate member of the Assets and Liabilities Committee of the Company.

Atty. Herrera is the Managing Partner of Herrera Teehankee and Cabrera Law Offices and a former Partner of Angara Abello Concepcion Regala and Cruz Law Offices (ACCRA Law). He is also currently the Chairman and President of Amica Corporation, Andorra Holdings, Inc., Arpeggio International Resources Corporation, Bedarra Holdings, Inc., Bellagio Properties, Inc., Bellecore Holdings Corporation, Bellendor Peak Resources, Inc., Certosa Resources, Inc., Domain Property Ventures, Inc., Dunes and Eagle Land Development Corp., Econolink Investments, Inc., Filgrow Ventures Corporation, Filsyn Corporation, Fontana Resources



Corporation, Genshare Holdings Corporation, Hare Services Corporation, Hunter Valley Resources, Inc., Ipioneer Properties, Inc., Maseena Resources Corporation, Medlinks Resources, Inc., Pomona Properties, Inc., Pergamon Resources Corporation, Regent Resources, Inc., Saville Resources Corporation, Seabright Resources, Inc., Shindig, Inc., SRTC Development Corporation, Trans-Pacific Oriental Holdings Company, Inc., Vassra Holdings, Inc., Viking Star Ventures, Inc., and Websphere Resources, Inc.; The Chairman 911 Alarm, Inc., Media Star Holding Corp., Owl Ventures and Development Condominium Corporation, and San Juanico Property Ventures; a Director and the Vice Chairman of Mantrade Development Corporation; a Director and the President of Aeropartners, Inc. and Nabasan Subic Development Corporation; a Director, Vice President, and Treasurer of Marilag Holdings, Inc.; and a Director and Corporate Secretary of Dream Harbour, Inc., La Regalade, Inc., Melrra Realty, Inc., and the CVC Group of companies such as, but not limited to, Asia Outsourcing Philippines Holdings Inc, Infocom Technologies, Inc., SPi Technologies, Inc., and SPi CRM, Inc. Other directorships include FMF, Asian Alliance Holdings and Development Corporation, Canlubang Golf and Country Club, Inc., Stargate Media Corp., United Coconut Chemicals, Inc., Philippine Airlines, Inc., GEOGRACE Resources Philippines, Inc., EFM, Inc., and Comm&Sense, Inc.

Atty. Herrera received his Bachelor of Arts degree, major in Political Science, from the University of the Philippines in 1972, and his Bachelor of Laws (Cum Laude, Salutatorian) from the UP College of Law in 1977. He placed 12th in the 1977 Bar Exams.

**ROBERTO F. DE OCAMPO**, age 73, Filipino, is an Independent Director and a member of the Audit Committee of the Company.

Mr. De Ocampo also currently serves as the Chairman of Philippine Veterans Bank, Philam Asset Management, Inc., Hatch Asia, Inc., Stradcom Corporation, Tollways Association of the Philippines, Money Tree Publishing Corporation, Centennial Asia Advisors Pte Ltd.; the Vice-Chairman of the Tranden Group, Montalban Methane Power Corporation, Agus 3 Hydro Power Corporation, and La Costa Development Corporation; a Director of Investment and Capital Corporation of the Philippines Group of Companies, PHINMA Corporation, Alaska Milk Corporation, Bankard, Inc., EEI Corporation, House of Investments, Robinson's Land Corporation, and Salcon Power Corporation; and a Member of the Board of Advisers of ARGOSY Fund, Inc. AES Corporation (Philippines) and the CIMB Group. Moreover, Mr. De Ocampo holds several vital positions in both prestigious international organizations as well as civic organizations.

Mr. De Ocampo graduated from the Ateneo de Manila University, received his MBA degree from the University of Michigan, holds a post-graduate diploma from the London School of Economics, and has 4 doctorate degrees (Honoris Causa). He is the recipient of many international awards, including Finance Minister of the Year, Philippine Legion of Honor, Association of Development Financing in Asia and the Pacific ("ADFIAP") Man of the Year, Chevalier of the Legion of Honor of France, Ten Outstanding Young Men Award (TOYM), several Who's Who Awards, and the 2006 Asian Human Resource Development ("HRD") Award. In June 2012, Mr. De Ocampo was awarded by Queen Elizabeth II with a medal for his appointment as an honorary officer of the Most Excellent Order of the British Empire.

**CARL ANTHONY SY PALANCA**, age 45, Filipino, was elected to the Board on August 11, 2008 and is also a member of the Executive Committee.

Mr. Palanca also sits as a board member of FMF, Investment Planning Corporation of the Philippines, Asian Alliance Holdings and Development Corp., Asian Alliance Investment Corp., The Mother Company, Inc., Cognatio Holdings, Inc., Blue Chips Inv't and Trading Group, CP Holdings Corporation, CP Group Holdings, Inc., CP Equities Corp., CPJ Corporation, C Palanca Corporation, CP Realty Corporation, and Palanca Investment and Trading Group Inc.



Mr. Palanca received his Bachelor of Science degree, major in International Business, from Sophia University, Tokyo, Japan, and he received his Masters degree in Business Management from the Asian Institute of Management in Makati City, Philippines.

**JAIME F. PANGANIBAN**, age 68, Filipino, was nominated as an Independent Director on May 19, 2014.

Mr. Panganiban is also the Chairman and Chief Executive Officer (“CEO”) of Lakes Shore CCY Inc. and BGP Asia Pacific Ltd. Inc.; the Chairman and President of JFP Assets Corp.; a Co-Chairman at Compoint Networks, Inc.; and a Director of JP Latex Technology, Inc. In 2005, he served as the Advisor and Chief Financial Officer of Development Bank of the Philippines (“DBP”) and undertook the take over and rehabilitation of Al-Amanah Islamic Investment Bank of the Philippines where he was eventually appointed Chairman and CEO in 2008. Mr. Panganiban is an accomplished senior bank executive with widely recognized expertise in treasury, capital markets, investment banking, trust, and wealth and risk management, built upon a foundation of exposures and postings in the Asia Pacific region.

Mr. Panganiban completed his Advanced Management Program (“AMP”) at the Templeton College, University of Oxford, United Kingdom, and Financial Asset Management and Engineering at the FAME, University of Lausanne, Switzerland. He received his BSC degree, major in Accounting, from the Ateneo de Zamboanga and took his MBA units at the Ateneo de Manila University.

**CESAR O. VIRTUSIO**, age 72, Filipino, has been an Independent Director since 2006, presently a member of the Assets and Liabilities Committee, and Audit Committee of the Company.

Mr. Virtusio was until recently the Managing Director of the Bankers Association of the Philippines (“BAP”) where he served for 8 years and held Board and Executive positions in BAP related entities. He sits as a board member of a European-related automotive general distribution company, and Amalgamated Investment Corporation. He used to be the Chief Representative and an Adviser to Dresdner Bank and Dresdner Kleinwort. He has been with the Dresdner Bank Group in Germany, Hong Kong, Singapore, and the Philippines for over 20 years in various management positions in corporate and investment banking. He also had a stint with Citibank Manila where he participated in the Executive Development Program and was a Manager in the bank’s World Corporation Group.

Mr. Virtusio has a Master’s degree in Business Administration with a major in International Business from the George Washington University, Washington DC.

**SANTIAGO GABRIEL O. FERNANDEZ**, age 25, Filipino, was nominated Director during Nomination Committee meeting on April 26, 2016 and elected as Director on July 22, 2016.

Mr. S. Fernandez is currently connected with PricewaterhouseCoopers (“PWC”) where he is a Full Time Associate specializing in business enterprise valuation and financial model review of companies engaged in the shipping, tankering, integrated logistics, and renewable energy industries. He was also involved in the Support Bid and Financial Model Advisory for the Light Rail Transit 2 (“LRT2”) and the Regional Airport Public-Private Partnership (“PPP”) projects run by the PPP Center.

Mr. S. Fernandez received his Bachelor of Commerce degree, majors in Economics and Finance (with Third Class Honours), from the University of Melbourne, Australia.

**ATTY. PAUL U. SAGAYO, JR.**, age 52, Filipino, was elected to the BOD on June 06, 2018. He is also a member of the Assets and Liabilities Committee and Audit Committee of the Company.



Atty. Sagayo has 20 years of progressive law practice with extensive exposure in court litigation and arbitration. He is a Partner in Sagayo Evangelista & Rebuella Law Offices. He also currently serves as a director in Onetaipan Holdings, Inc., Calac High Power Corporation, Synergy Grid & Development Phils., Inc., ETC Realty Corporation, and Trinity University of Asia.

He graduated from Trinity College of Quezon City with a degree in Bachelor of Arts in Political Science. He received his Bachelor of Laws degree from San Beda College in 1992.

**B. OFFICERS** - The following are the Executive Officers of the Company for 2017-2018:

**ROBERTO C. FERNANDEZ**, Treasurer (see credentials under "Directors")

**JAIME C. FERNANDEZ**, age 63, Filipino, is the President and Chief Executive Officer. He graduated from the Ateneo de Manila University and has a Masters in Finance degree from Golden Gate University. He is also currently a Director of FMF, Treasurer of the Investment Planning Corp. of the Phils., and Marilag Holdings, Inc.. He is the President and CEO of Merje Trading, Inc. He is the Chairman of ETC Forest Lawn. He is also the President of Beneficial Financial Advisors, Inc., and PLIA Realty, Inc., and the Treasurer of Manila Cordage Company.

**ANNETTE MARIE M. MALIXI**, age 63, Filipino, is the Senior Vice President and Chief Investment Officer. She is currently a Treasurer of Beneficial Financial Advisors, Inc. She is formerly the Vice President/Group Head in the Private Banking and Fixed Income Distribution Group of Unionbank of the Philippines from 2006 up to the second half of 2008. Her more than 20 years' experience in Treasury from International Exchange Bank, Asianbank Corp., AB Capital and Investment Corp. and Private Development Corp. of the Phils. has honed her specialization in proprietary trading in domestic and foreign fixed income instruments, reserve and liquidity management, foreign exchange and swaps, derivatives, and risk management.

Ms. Malixi passed her Chartered Financial Analyst ("CFA") Level 1 exam in June 2008 and obtained her Bachelor of Science degree, major in Industrial Engineering at the University of the Philippines.

**MA. EDITHA S. PALTONGAN**, age 52, Filipino, is the Senior Vice President and Comptroller. She worked with Sycip, Gorres, Velayo & Co. ("SGV & Co.") from 1987 to 1991 as Senior Auditor, after which, she joined the Company. Ms. Paltongan is also a board member and Senior Vice President of Star Healthcare Systems, Inc. and Beneficial Financial Advisors, Inc.

Ms. Paltongan graduated Magna Cum Laude with a Bachelor of Science in Business Administration ("BSBA") degree from University of the East and passed the CPA board examination in 1987.

**JOY S. VIANZON**, age 50, Filipino, is the Vice President/Chief Accountant. She re-joined the Company in August 2010 as Chief Accountant. She first joined the Company from 1995 to 2007. She was previously connected with IBM Business Services, Inc., Avida Corporation, HSBC, and SGV & Co. She is currently a Director of Beneficial Financial Advisors, Inc. She completed her BSC - Accounting degree at De La Salle University, and passed the CPA board examination in the same year.



**DANILO L. MERCADO**, age 59, Filipino, is the Vice President for Metro Manila Sales Operations. He began his employment career with the Company in April 2013. Prior to his employment with the Company, Mr. Mercado was connected to First National Surety and Philippine Prudential Life.

Mr. Mercado received his degree in B.S.C Accountancy from Colegio de San Juan de Letran in 1982.

**DEVORAH Q. DELA CRUZ**, age 58, Filipino, is the Assistant Vice President for Credit and Collections. Ms. dela Cruz joined the Company in June 1993. She is also currently the Accountant of Beneficial Financial Advisors, Inc.

Ms. Dela Cruz graduated with a BSBA – Accounting degree at the Pamantasan ng Lungsod ng Maynila and she passed the CPA board examination in 1985.

**MARITESS M. LLAPITAN**, age 51, Filipino, is the Assistant Vice President for Underwriting. Prior to joining the Company in July 2016, Ms. Llapitan was the Compliance Officer and Head of New Business and Underwriting and Licensing Department of the Philippine Prudential Life Co., Inc. She also worked as the Senior Manager of the New Business and Underwriting Department of Sunlife–Grepa Life Insurance Co./Great Pacific Life Assurance Co., Operations Director at Manulife Financial Buzzsiness Processing Services, Group Life Manager at The Manufacture Life Insurance Company Philippine Branch, Underwriting Manager of Philam Equitable Life Assurance Co., Manager of the Underwriting, New Business and Policy Department of John Hancock Life Assurance Co., and Senior Underwriter at First Guarantee Life Assurance Company, Inc.

Ms. Llapitan received her Bachelor of Science degree, major in Medical Technology, from San Juan De Dios College, Pasay City, graduating as a Bronze Medalist and with academic citation for Clinical Excellence.

**ELIZABETH T. FLORES**, age 59, Filipino, is the Assistant Vice President for Health Care Services. She held the position of Senior Vice President for Administration in Star Healthcare Systems, Inc. prior to joining the Company in October 2016. She likewise worked with First Guarantee Life Assurance Co., Inc. and Corregidor Life Insurance.

Ms. Flores graduated from the Polytechnic University of the Philippines with a BSC-Economics degree. She has a Master's degree in Business Administration from the same university.

**ATTY. MA. SIGRID R. PINLAC**, age 41, Filipino, is the Corporate Secretary and Compliance Officer of the Company. Prior to joining the Company in February 2018, Atty. Pinlac worked as Senior Legal Counsel of TPPH-FHCS, Inc. (Teleperformance), and Head of Corporate Services and Compliance Unit of MICO Equities, Inc., and Malayan Insurance Group of Companies (Malayan Insurance Company, Inc., Bankers Assurance Corporation, The First Nationwide Assurance Corporation). She was also an associate lawyer in the Law Firm of Aquino Regino Arceo Palma Raagas & Associates.

Atty. Pinlac is an alumna of the University of Santo Tomas where she finished her degree in Bachelor of Science Major in Biology. She received her Bachelor of Laws degree from the University of the East in 2003, and took and passed the 2003 Bar Examinations.